Division of Agricultural Sciences
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ECONOMIC OBJECTIVES AND OPERATIONS OF CALIFORNIA AGRICULTURAL MARKETING ORDERS

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by

Sidney Hoos[1/]

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Introduction and Setting

"Economic conditions are constantly changing, and each generation looks at its own problems in its own way." So Alfred Marshall began the "Preface" to the first edition of his Principles of Economics, a book which is secure in the history of economic thought but which is honored more in our day by reverence than by study. Yet, the changing economic conditions with which Marshall was familiar are in many respects similar to those of our generation as are many of the basic economic ideas with which we work in our continuous struggle to understand the operation of our contemporary economic system. Marshall's belief in what he referred to as the "principle of continuity" is, among other places, embodied in his statement: "The new doctrines have supplemented the older, have extended, developed, and sometimes corrected them, and often have given them a different tone by a new distribution of emphasis; but very seldom have subverted them."

One may wonder why Alfred Marshall is brought into a discussion of agricultural marketing orders. The reason is to note with emphasis that, in terms of the basic economic ideas underlying marketing orders, our generation of economists draws heavily upon the system of thought commonly referred to as Marshallian partial equilibrium analysis. One might venture the view that, if Marshall were to participate in a discussion of marketing orders, he would--after a brief explanation of certain terms--be able to enter and contribute to

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1/ A section of a study on Economics of Agricultural Marketing Programs. A summary version of this section was presented at the joint annual meetings of the American Farm Economic Association and the Western Farm Economics Association, August 27-29, 1956, Asilomar, California, and published in the Journal of Farm Economics, vol. 38, no. 5, December, 1956, pp. 1679-1691.

the discussion meaningfully and constructively. This is to dispel the notion that the economics of marketing orders involves some new, unique, and all-powerful system of economics. As to whether Marshall would approve the introduction and operation of marketing orders, one can judge that from what he writes in the Principles he would likely look askance at them; yet, from what he advised his government at various times, as recorded in his reports to Royal Commissions, one can surmise that he would favor the use of marketing orders under certain circumstances and conditions. But such circumstances and conditions would be sporadic and unique rather than continuous and general as are most of the marketing orders currently in operation.

The continuous operation of state and federal marketing orders is in sharp contrast to their original intent when first introduced during the depression years of the 1930's. Then, their originators and sponsors in the main looked upon marketing agreements and orders as devices to handle depression-induced situations in particular commodities. Yet, over the following two-and-a-half decades, with an interruption in the war years, marketing orders have become entrenched and interwoven in the institutional fabric of a substantial number of agricultural products. As is the case in much of the economic-social legislation enacted and developed during the years of the early 1930's, marketing orders may be characterized by the phrase, "depression bred and prosperity fed."

What are the distinctive features and objectives of marketing orders which account for their popularity with and use by various commodity groups? What is the economic rationale underlying marketing orders which, in essence, are legislative administrative institutions that operate and survive only as politically accepted or tolerated? What economic inferences and implications can be deduced from the experience accumulated over a period of more than two decades? These questions suggest the terrain around which one may survey the economic rationale and results of marketing orders. But before going forward with

such a survey, it is necessary to dust the lens of our telescope, adjust our transit, and delineate our territory.

So far we have used the phrase "marketing orders" in a generic sense. But in legislative and administrative aspects, there are distinctions between "marketing agreements" and "marketing orders." A "marketing agreement" is a voluntary arrangement between the federal or state government and individual producers or handlers of a particular commodity, and its terms are binding on only those individuals who sign the agreement. In contrast, a "marketing order," once made effective under legislatively specified procedures and standards, is binding on and uniformly applicable to all producers and handlers of the product for which the order has been instituted. Although marketing agreements historically preceded marketing orders, the latter now heavily dominate because experience indicated that industry-wide compliance was necessary if the intent of the program was to be achieved.

Both the federal government and certain states operate marketing orders and agreements. The differences between the federal and state programs involve standards and administrative procedures, and there are differences among state orders. For example, under California legislation, any agricultural product is eligible to have a marketing order; but under federal legislation, a marketing order is permissive for only a clearly specified list of products. Federal orders are oriented toward volume control and quality regulation, while the California orders may also include provisions for advertising and promotion, research, prohibition of unfair trade practices, and regulation of grades and standards. Orders permissive under the state of Washington legislation (Washington Agricultural Enabling Act) are limited to advertising and sales promotion, research, labeling requirements, and unfair trade practices; volume control provisions are prohibited. The New York state legislature has recently approved legislation authorizing marketing orders which are comprehensive in

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scope as are the California orders and which similarly provide for volume regulation along with provisions for sales promotion, research, and grades and standards.

Another difference pertains to fluid milk and cream. There, also, the federal government and certain states have marketing programs. Milk programs, however, are different in important respects from the marketing orders considered here. In general, fluid milk programs establish minimum prices to producers, distributors, and at retail. The administrators of such milk programs deal directly with and manipulate the price level and price structure. In sharp contrast, the marketing orders for products other than milk deal with price only indirectly; those orders deal with and directly affect flow and stock variables which affect prices. Such distinction is significant for analytical purposes as well as administrative procedures. Thus, we shall not consider fluid milk marketing programs. Our terrain to be surveyed will be limited to marketing orders, primarily California orders, although most of the observations and inferences can be also interpreted as being pertinent to federal marketing orders.

Attributes and Functions of Marketing Orders

In searching into the history of economic and institutional ideas, it is helpful to pin point with precision their embryonic origin. So it is with the basic ideas underlying marketing orders. Earlier it was noted that, in terms of chronology, marketing orders emerged as a result of problems engendered by the "great depression." That is in part true; but the economic structure of orders were, however, in fact gradually and experimentally developed by certain cooperative marketing associations during the 1920's. They were faced with seasonal "surpluses," quality standards, and unfair trade practices; and they endeavored to organize commoditywise on an industry-wide basis. The

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trials and tribulations of those problems need not be recited here; yet, those marketing associations became convinced that their own devices were not fully adequate to achieve the goals envisaged. New legislation and limited government participation were deemed to be essential adjuncts.

When experience with marketing agreements showed that their signees were "holding the umbrella" for the nonsigners, and the growing gales and rains made the umbrella less effective or even ineffective, thoughts turned to a device whereby everyone in the industry concerned would be required to support the umbrella. Thus emerged marketing orders with their uniform and industry-wide application to all producers or handlers of the product concerned. Such industry-wide application of marketing orders, however, has often been misinterpreted. It does not mean that the industry has no choice as to whether an order will be introduced; it does not mean that the industry is powerless to change or even eliminate the order; nor does it mean that the industry, with its order, can operate only as the industry desires.

Legislation clearly sets forth the procedural and administrative criteria to be followed. Briefly, they include discussions between the industry representatives interested in an order and officials of the state (or federal) Department of Agriculture; the drafting of a proposed order; the holding of an announced public hearing at which the proponents and opponents of the proposed order present their views; a review of the accumulated evidence and testimony by the staff of the Department; the mailing of the proposed order to all directly affected and eligible to vote for their assent or dissent; the necessary requirement of majority approval; and the final approval by the Director (or Secretary) of the Department who specifies its issuance and effective date.

The many important details of such procedures need not be discussed here since we are only interested in setting the background for discussing certain economic questions. But several significant points must be underlined. First,

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a majority of the industry, specific criteria for which are written in the legislation, must approve an order before it can be effective. Second, the Director (or Secretary) is required to determine whether the available evidence indicates the need for an order and that the proposed order meets that need. Furthermore, the Director has the authority to terminate the procedure at any of the steps mentioned earlier or to terminate an order which is in operation if, in his judgment, it is no longer consistent with the legislative standards. In essence, the California Director of Agriculture bears the burden of primary responsibility, and he holds the authority to make final decision as to whether an industry-assented order becomes effective. Thus, in addition to following certain administrative and procedural matters, the Director is required to consider and judge a proposed order in light of legislatively specified economic standards. These standards are nonquantitative and are set in a definite legal-philosophic framework and expressed in gobbledygook as "To enable agricultural producers [of California], with the aid of the state, more effectively to correlate the marketing of their agricultural commodities with market demands therefor . . . establish orderly marketing . . . provide for uniform grading . . . [and] development of new markets . . ." (California Agricultural Code, Section 1300.11). For economic analysis, a more meaningful legislative standard, but still one stated in rather loose language, is ". . . that such marketing order or amendments thereto will tend to reestablish or maintain such level of prices for such agricultural commodity as will provide a purchasing power for such agricultural commodity which is adequate to maintain in the business of producing such agricultural commodity such number of producers as is required to provide such supply of the quantities and qualities of such agricultural commodity as is necessary to fulfill the normal requirements of consumers thereof" (California Agricultural Code, Section 1300.14). The economic implications and inferences of this compounded set of criteria will be considered

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later. But first we need to outline additional attributes and functions of California marketing orders.

To assist him in operating a marketing order, the Director appoints an advisory board from a list of industry nominations. If the order pertains to producers only, the board is composed of producers; if the order pertains to producers and handlers, the board is made up of both groups in equal numbers; and if the order pertains to handlers only, the board is composed of handlers. The advisory board may employ a manager and staff,and most boards do so. But in all matters of any consequence, the board cannot make decisions and act thereon. The board can only recommend to the Director, and he either approves or disapproves. For all intents and purposes, the California Director of Agriculture is a real "economic czar" of the state's marketing orders.

The general goals of marketing orders, which operate under the authority of the Director of Agriculture, are mainly oriented in the direction of improving the returns to producers. Although the Director is required to give consideration to consumer interests as well as those of the industry at large, the legislation is clear that its primary concern is with the economic welfare of producers. This "economic welfare" of producers is measured in terms of "purchasing power" which is suggestive of but not completely similar to the "parity price" or "parity income" notions embodied in federal legislation. Rather than referring to a specific per cent of some base, the California legislation expresses its objective in terms of enough purchasing power to keep in business a sufficient number of producers providing an adequate supply of the commodity to meet the needs of consumers. Though one might question the economic validity of such a standard, and we shall do so later, it can be stated that the state criterion is less naive and less rigid than the federal parity price doctrine.

To attain the various objectives embodied in particular marketing orders, a set or battery of provisions and tools has been developed over the years.

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Some of these provisions are of the more obvious nature and supplement the type of marketing legislation prevalent in most states as well as in California. Yet, others of the marketing order provisions are unique in that they operate to any extent only because a marketing order is effective. For example, the grading or inspection provisions of an order supplement the broader and more general grading standards which are part of the state legislation independent of marketing orders. But the promotion or volume-regulation provisions of an order exist only because they are part of the order; without the order, no type of collective promotion or volume regulation would be required by the state legislation. This distinction between what might be called supplementary and specific provisions can be noted as we set forth the major types of provisions embodied in California marketing orders.

The major provisions or marketing tools, one or more of which are written in the various orders, include: grade and/or size regulation; pack and container regulation; mandatory inspection and/or certification; prohibition of unfair trade practices; advertising and sales promotion; production, processing, and/or marketing research; and volume regulation, with or without stabilization pools and funds. Of these seven broad provisions, one might classify the first four as supplementary and the remaining three as specific provisions. Although such classification may in part be arbitrary, it does aid in directing attention to the type of regulation which is entirely unique to a commodity having a marketing order. In that respect, the specific provisions, particularly volume control and sales promotion, have attracted most attention, discussion, and attack.

At this point it is advisable to pause a moment and destroy a false notion which is prevalent in the minds of many, including those who have a superficial familiarity with California marketing orders. This false notion pertains to the volume-restriction provision. Too often the unfounded thought is expressed

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that marketing orders are synonymous with quantity restriction, and without that provision there would be no orders. Such a view may be a throwback to the early days of orders when quantity regulation was certainly the primary although not the only reason orders were initiated. In recent years, however, the situation is drastically different. Now, quantity control in any of several forms, when it does occur in an order, is only one of the provisions; and a large majority of the marketing orders have no quantity regulation features.

Among the 28 marketing programs currently in effect under California legislation, quantity control, as such, is incorporated in some 10 orders for the following commodities: early apples, fresh asparagus, processing asparagus, lemon products, dry-pack lettuce, standard Lima beans, cling peaches for canning and freezing, fresh fall pears, winter pears, and delta white potatoes. Thus, not only is volume regulation a part of only 10 out of the 28 California programs but, even for those 10 orders, quantity restriction is permissive only with the approval of the Director rather than being mandatory or automatic.

In view of the economic significance and implications of quantity restriction as a part of the marketing orders, however, we shall later consider this topic again. Now, we continue with the other types of provisions. The distribution of provisions among the 28 orders may be summarized as follows:

Marketing program provision	Number of orders having the respective provision
Grade and/or size regulation	18
Pack and/or container regulation	7
Mandatory inspection and/or certification	14
Sales promotion and advertising	23
Production, processing and/or marketing research	22
Unfair trade practices	4
Quantity regulation, with or without stabilization pool	10

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Several salient feature of this summary tabulation merit brief comment. First, it may be noted that the most prevalent provisions include "sales promotion and advertising," which is embodied in 23 of the orders, and "production or marketing research," which is incorporated in 22 of the orders. "Grade or size" regulation and "inspection or certification" are next in order of frequency. Then comes "quantity regulation," followed by "pack or container" regulation, with the "unfair trade practices" provision the least frequent.

Next, it may be noted that there is no fixed or standard formula setting forth which particular provisions are to be incorporated. Each separate marketing order is tailored to meet the considered needs of the commodity concerned, and there is complete flexibility as to which provisions are excluded or included as long as they are consistent with the legislation authorizing and underlying marketing orders. An order for a particular commodity may have most of the available provisions as do cling peaches and lemon products; or an order may provide for only promotion and research activities as do a number of programs including those for bush berries, one of the orders for Bartlett pears, dried prunes, raisins, strawberries, one of the orders for turkeys, and wine. Table II attached summarizes the provisions included in the 28 current orders.

Various combinations of marketing tools may be drawn upon in the development of orders. Also, a single commodity may have more than one order in operation simultaneously. For example, both asparagus and fall and winter pears have separate orders for the fresh and processed utilizations; Bartlett pears have two orders, one of which is for promotion and research; and turkeys have two orders, one for disease control and eradication and a second order for sales promotion and advertising. Another variation is suggested by the potato orders: the long white potatoes order includes grade, size, inspection, promotion, and research provisions, while the delta white potatoes order includes those provisions plus quantity regulation. Still another variation available

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[illegible] have two orders, one of which [illegible]

[illegible] regulation. [illegible]

is that, although an order may include certain provisions, it need not be utilized by the industry. An example of this type is the order for extracted honey which includes provisions for "unfair practices," advertising and sales promotion, and research. But since March, 1952, when the honey order was made effective, its operations have, in fact, been limited to requiring price posting by handlers and promotion activities. Many other examples can be cited, but the several mentioned clearly indicate the high degree of flexibility permissible in the organizational structure and operational objectives of California marketing orders.

It is important to recognize that neither by legislative criteria nor by administrative procedures need the provisions or operational objectives of marketing orders be static or unchanging over time. As long as the broad, general criteria written in the state legislation are met, and the Director makes a finding to that effect, a proposed order or an amendment to an existing order may be approved by him. Such flexibility has been taken advantage of by the various industries having marketing orders. As with a biological organism, the institutional organism of a marketing order undergoes mutational and evolutional changes. As an example may be cited the program for canning and freezing cling peaches which started two decades ago as a simple state order providing for grade and size regulations, inspection of intrastate shipments, and unfair trade practices. Advertising and promotion were included in the original order but dropped shortly thereafter, although such activities were again included in 1945. The original state cling peach order of 1937 operated only one year; in 1938 the cling peach order was not favorably voted upon by the industry and, thus, did not become effective. But in the following year, 1939, an order was approved and continued on through 1942. The years 1943-44 had no cling peach orders because again they were not approved by the industry. But an order did operate beginning with 1946 and was enlarged to include grade and size control, inspection,

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advertising, promotion, and research. In 1952 provisions were added for a stabilization fund and diversion to other peach-using products. In 1950 a distinctive volume-control provision was added--the "green dropping" of immature cling peaches. Thus, over the years, the cling peach order has changed its character. In this case, the order became more comprehensive and "stronger" as it developed; but as in biological evolution, some limbs and senses can wither while others develop and strengthen.

As one studies the evolution of marketing orders and surveys their changing objectives and emphasis, he sees a moving picture of institutional development. Each order has its own special existence as does each individual in a population. But the societal group gradually takes on new characteristics as the older ones change emphasis and form. The process of institutional mutation and evolution may with considerable articulation be identified in the history and development of marketing orders. In what may be termed the early days of marketing orders, the depression years of the middle 1930's, the primary provisions of marketing orders pertained to quantity control and regulation which in practice meant volume restriction. In later years provisions for grade and size regulation and mandatory inspection and certification--aspects dealing with quality control--assumed increased relative importance. And still later, sales promotion and advertising, along with the sponsorship of research, received relatively increased attention. This does not mean that the older provisions were necessarily dropped as new ones were adopted; rather, it means a change in relative emphasis and balance. The development of marketing orders fits in well with Marshall's statement: "Economic conditions are constantly changing, and each generation looks at its own problems in its own way."

One may question how extensively used are the California marketing programs by the state's agricultural industries. Whether the answer is "considerably" or "little" depends upon the yardstick of comparison. It can be noted that since

1933, when the so-called "self-help" marketing programs were first instituted, some 70 different programs have at one time or another been in operation. A number of the programs were effective for only a single season, and others have operated in some form for as long as 20 years. The average length of life of those 70 programs is about six years, although that figure cannot be actuarially interpreted as an index of life expectancy.

In 1956 some 28 different marketing programs were in active operation under the authority of California legislation. These 28 programs reflected an average length of life of nine years, with individual programs ranging from less than a year old to over two decades of active operation. But a figure of 28 programs may not be impressive when compared with a total of over 200 commercial crops and products marketed by the state's agricultural industries. Such comparison, however, may be misleading. A more meaningful set of indicators of the role of marketing orders in the state's agricultural economy may be that in 1955 the total farm value of all commodities having state orders amounted to $390,000,000, some 15 per cent of the state's total cash receipts from farm marketings or 23 per cent of the cash receipts from crops. This latter figure--23 per cent--is the more pertinent because all of the currently effective orders, except three, apply to crops. Another statistic is that close to 35,000 producers, 33 per cent of the state's farmers or ranchers, were directly affected by those orders, and a substantially larger number were affected indirectly. These figures are cited to set in proper perspective and balance the economic position and role of marketing programs.

Economic Implications and Inferences

To finance the 28 marketing programs, the producers and handlers directly concerned with those programs provided all of the necessary funds. This amounted in 1955 to about $6,900,000 divided as follows:

[illegible] ...e 77 different programs have at one time or another been in operation. A number of the programs were effective for only a single season, and others have operated in some form for as long as 2[illegible] years. The average length of life of these 77 programs is about six years, although this figure cannot be actuarially interpreted as an index of life expectancy.

In 1955 some 28 different marketing programs were in active operation under the authority of California legislation. These 28 programs regulated [illegible] cash receipts from farm marketings or 25 per cent of the cash receipts from crops. This latter figure--25 per cent--is the more pertinent because all of [illegible] ...e in that alone to 9,000 producers. 33 per cent of the state's farmer members, were directly affected by these orders, and a substantially larger number were affected indirectly. These figures are cited to set in proper [illegible]

[illegible]

To finance the 28 marketing programs, the producers and handlers directly [illegible] in 1955 to about $[illegible],000,000 divided as follows:

Administration	$ 932,800	13.5 per cent
Inspection	1,009,600	14.6 per cent
Promotion	4,635,300	67.2 per cent
Research	321,500	4.7 per cent
Total	$6,899,200	100.0 per cent

Whether returns to the industries justified those expenditures is not an issue considered here. An essential point is that the expenditures were entirely borne by the industries through assessments on the participating producers and handlers or processors. That is one of the reasons why the types of programs we here discuss are often referred to as "self-help" marketing programs. But the phrase "self-help" has often been misinterpreted and, in fact, may even be misleading. A more appropriate descriptive phrase would be "self-financed," and even there the phrase would refer to direct immediate expenditures; for if the programs are successful, over a period of time they presumably yield sufficiently increased returns to at least offset their direct costs to the industries.

This question about the phrase "self-help" is raised here not only because of clarity in nomenclature. There is also the important issue of joint participation between the state represented by the Director of Agriculture and the industries concerned represented by their respective advisory boards whose function is to assist, recommend to, and advise the Director. The industries presumably initiate the promulgation of the programs; but once such action is taken, from then on the state assumes definite functions and has certain heavy responsibilities. Aside from the matter of direct financial costs, the state is definitely one of the necessary parties.

To suggest the heavy responsibilities borne by the Director, the following sections from the Agricultural Code, state of California, are cited.

> "3183. With respect to an agreement or order containing provisions for correlating the supply of the agricultural commodity with market demand therefor by restricting and allocating the total quantity of the

commodity which may be marketed during any marketing season and which restricted portion of the commodity might otherwise be marketed in compliance with other laws of this State or of the United States, the director shall not issue such agreement or order for the written assent of producers or handlers unless he finds after public hearing that all of the following are true:

"(a) The supply of the commodity available for marketing exceeds or is likely to exceed the demand therefor at prices which will provide a reasonable return to producers of the commodity.

"(b) The return to producers of the commodity will tend to be increased through the operation of the proposed marketing plan.

"(c) The proposed agreement cr order may be administered without permitting unreasonable profits to producers of the commodity and without unreasonably enhancing prices of the commodity to consumers.

"(d) The proposed agreement or order will tend to prevent disorderly marketing of agricultural products within the State.

"(e) The proposed agreement or order will tend to establish or maintain such relationship between the quantity of the particular agricultural commodity marketed and the demands of the market for the commodity as will tend to continue in production such volume of the commodity as is probable will be needed over a reasonably long period of time to supply the requirements of the commodity and to provide an adequate standard of living to the farm operator and his family.

"3184. If the agreement or order contains provisions only for the purpose of regulating the flow of the commodity or any grade, size, or condition thereof to market without directly restricting the total quantity which may be marketed during the marketing season or if the order contains provisions only for the establishment of grade classifications or minimum grade, size, quality or condition specifications and uniform grading and inspection for the purpose of improving the quality of the product marketed, or the elimination of unfair trade practices, the director may issue such order if he finds all the following are true:

"(a) That the order is reasonably calculated to attain the objectives in the order.

"(b) That the order is in conformity with the provisions of this chapter and will tend to effectuate the declared purposes and policies of this chapter.

"(c) That the interests of consumers of the commodity are protected in that the powers of this chapter are being exercised only to the extent necessary to attain such objectives."

The criteria just cited are, in essence, economic standards to be followed by the Director in behalf of the state. From those economic standards, however, flow various economic implications and inferences. First, it may be noted that

commodity which may be marketed during any marketing season and which the restricted portion of the commodity which constitutes the quantity in which [illegible] with other laws of this State or of the United States, the Director shall not issue such agreement or order for the marketing season [illegible] unless he finds after public hearing that all of the following are true:

"(a) The supply of the commodity available for marketing [illegible] is likely to exceed the normal market [illegible] at prices which will return a reasonable return to producers of the commodity.

"(b) Any relief to producers of the commodity which seeks to be [illegible] through the operation of the proposed agreement or order [illegible].

"(c) The proposed agreement or order may be administered without producing unreasonable hardship to producers of the commodity and without unreasonably [illegible] prices of the commodity to consumers.

"(d) The proposed agreement or order will tend to prevent [illegible].

"(e) The proposed agreement or order with regard to allotment of quantities gives consideration to [illegible] between the quantity of the commodity [illegible] marketed and the demand of the market for the commodity as will tend to continue to [illegible] such volume of the commodity as is adequate and will be marketed over a reasonably long period of time to supply the requirements of the consumer and to provide an adequate standard of living to the producers and [illegible].

"(f) [illegible] the agreement or order [illegible] the purpose of maintaining the flow of the commodity to the market, [illegible]

"(g) That the [illegible] is reasonably calculated to attain the objectives of the [illegible].

"(h) That the [illegible] is in conformity with the provisions of this chapter and with [illegible].

"(i) That the [illegible] in that the [illegible].

The original [illegible]

by the [illegible] in behalf of the [illegible]. From these [illegible]

[illegible]

nowhere are the economic standards expressed in precise numerical or quantitative terms. No specific percentages of some sort of "parity price" or "parity income" are directed. The Director is not bound either to a simple or a complicated numerical formula. On the contrary, the legislation imposes upon him a tremendous burden in the exercise of judicious wisdom compounded with economic thought.

The economic standards are saturated with normative and ethical prescriptions. Examples include phrases as "reasonable returns to producers," "unreasonable profits to producers," "unreasonably enhancing prices of the product to consumers," "disorderly marketing," "more stable and adequate supply," "relationship between the quantity--marketed and the demands of the market--as will tend to continue in production such volume as is probable will be needed over a reasonably long period of time to supply the requirements of the commodity and to provide an adequate standard of living to the farm operator and his family. . . ."

In the judgment of what are "reasonable" and "unreasonable" returns to producers, in the definition of what is "orderly" and what is "disorderly marketing," in the determination of "unreasonably enhancing prices--to consumers," in the specification of "such volume as is probable will be needed over a reasonably long period of time," and in the measurement of "an adequate standard of living to the farm operator," the Director is given no guide in the legislation. One must admit with candor, moreover, that the economic science we have at hand can help in only a limited way in interpreting such normative concepts, particularly for an economic system that is characterized by growth, change, dynamic structural variations, uncertainties, and the vicissitudes of various degrees of hot and cold wars. Only restraint, supported by naive preconceptions, deters one from suggesting that perhaps the Director might consider

[illegible]

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[illegible]

supplementing his staff of administrators, economists, and lawyers with a bold and articulate philosopher.

These questions about the Director's responsibilities with respect to volume restriction cannot be dismissed lightly or cavalierly. Although weighted with normative values, the standards certainly involve economic relationships, and for that reason alone we must be concerned with the economic implications and inferences. The standards are based in large part although not entirely on a conventional static and partial equilibrium setting where, for each of the products, the demand functions facing consumers and producers, the short- and long-run supply functions of producers, and the rest of the Marshallian kit of analytical tools, concepts, and functions are known or can be estimated sufficiently accurately to serve as operational devices.

The point is that, on the premise there are marketing orders with economic standards of the type briefly indicated earlier, the Director or a comparable administrator can obtain from economists only part of the economic information he should have in order to do his job as set forth in the legislation. Of course, this point can be countered with the view that there should not be marketing orders of that type and thus solve the economist's problem as did the physician who cured the patient by amputation at the neck. Yet, one should not be overwhelmed with doubt and pessimism. Economists can and do contribute in the consideration and operation of programs as marketing orders. Economists may not contribute as heavily as they would like, and they certainly do not contribute as much as administrators may expect; but one may venture to say that the economist's role is a necessary if not a sufficient one. Further, one may venture to say that, without what the economist can honestly offer, both the Director and industries would err more often and to a greater extent; in other words, economists do help them to make smaller and fewer mistakes.

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In addition to the economic implications and inferences flowing from the legislative standards which guide the Director, there are other economic considerations involved in marketing orders. These may conveniently be considered in terms of the major functional activities which take place in the operation of the orders. Aside from administration, which is of concern to political scientists and social psychologists, the activities are grouped under inspection, promotion, and research.

The activities related to the generic term "inspection" are generally thought of as being physical or noneconomic. Yet, they are carried on for economic reasons and have economic effects. Aside from questions of health and sanitation, inspection involves the segregation and separation of stocks having differential price and market impacts. The effective operation of marketing systems utilizing grade, size, and maturity differentiations, for example, is dependent upon some procedure of inspection with criteria of acceptance or rejection. From the economic view, inspection is that phase of marketing which separates the total crop into segments, each with different demand functions, supply functions, elasticities, and cross elasticities.

Although objective sampling is beginning to assume importance in grading, sizing, maturity, and quality inspection of some agricultural products, there is considerably more latitude for the introduction of economics. The criteria for inspection acceptance or rejection are still largely devoid of explicit economic analysis, aside from intuitive and subjective notions. Conceptually, at least, one can argue that, since inspection activities have economic effects, an inspection procedure with its criteria for differentiation should logically reflect economic influences. Rather than establishing No. 1, No. 2, and No. 3 grades based on only physical attributes of size, firmness, and coloring of, say, a certain fruit, an alternative would be to include price or income influences. The development of such an alternative would involve knowledge of

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differential price elasticities of various possible grades. One may surmise that by a combination of discriminant-function analysis with demand studies, grades could be established which would be more meaningful in terms of economic effects, which would reflect consumer preferences, and which would provide a more rational basis for industry marketing policy.

Whereas "inspection" provisions are included in half of the California marketing programs now in operation, "promotion" provisions are part of 23 of the 28 currently effective programs. The term "promotion" includes advertising, trade and consumer "education," the employment of fieldmen for retail point-of-sale displays, and similar activities. In addition to the large proportion of programs which use promotion provisions, another indicator of their role in California marketing programs is that about 67 per cent of the total expenditures for all activities under all programs is classified under "promotion." The range of such promotion expenditures varied widely--from $300 for early apples and $500 for delta white potatoes to $1,000,000 for cling peaches and $2,000,000 for wine.

In terms of economics, sales promotion and advertising are carried on to influence consumer demand affecting the derived demands at the handler and producer levels. In conventional economic analysis, consumer demand is generated by the interaction of consumer utility surfaces, income, and prices. Advertising attempts to change the structure of the consumer's preferences thereby altering in certain directions his utility surface. Although we now hear much about depth interviews, hidden desires, and impulse buying, and advertising experts talk in terms borrowed from social psychology and group dynamics, the objective of advertising remains one of shifting demand upward by affecting the consumer's utility preference system.

Promotion and advertising activities, as such, are not unique to industry government marketing programs. Private advertising has a long history, and I

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am aware of no evidence suggesting that, because of sales promotion under marketing orders, there has been a decrease in advertising by individual firms. The intent of advertising through marketing programs is to supplement private advertising rather than displace it. Yet, one may ask, what is gained by marketing program sales promotion since advertising can and is done by many private firms and organizations? The answer involves a basic feature of marketing orders noted earlier: If sales promotion is carried on under the authority of a marketing order, everyone in the industry must contribute to the financial support of the advertising, and each participant's contribution is proportional to the volume he markets. If the advertising is effective, each participant gains in a sense corresponding to the benefits a firm derives from the influence of Marshallian net external economies. Although Marshallian economies and diseconomies are generally associated with long-period cost and supply functions, corresponding effects on the revenue and demand functions can be considered to flow from influences external to the firm and yield benefits which are common to all firms in the industry.

Marketing order advertising programs generate nonprice competition among products. If fresh peaches and fresh pears, for example, are substitutable and competitive in demand, an advertising program in one is likely to bring forth an advertising program in the other. Similar situations can be envisaged in other commodities as canned peaches and canned pears or dried figs and prunes. Since, in the short run at least, the "human stomach is inelastic" and the total consumption of a group of products closely related in demand is relatively fixed, a situation can develop where industries believe they must advertise if only to hold their historical share of the market. In such a case, advertising is resorted to as a buttress against the industry's demand function shifting downward.

For reasons we need not pursue here, most producers and handlers seem to have an immeasurable amount of faith in the effectiveness of promotion and

advertising expenditures. Yet, objective and substantive results to support such faith are extremely difficult to develop. The disentangling of short-run and long-run consequences, temporary and lasting results, and single and cumulative reactions, as well as multiplier effects, raise tremendous analytical problems. To answer simple questions often asked by industries, such as, "should we advertise" or "how much should we spend on advertising," requires the audacity, boldness, confidence, and daring of an advertising account executive. The economists might reply in terms of short-run and long-run net marginal revenues and net marginal costs of advertising; but unless those functions can be operationally specified for the industry, it is helped very little. For such reasons, economists play only a meager role in the promotion and advertising provisions of marketing programs.

The third major category of provisions to be considered is that of research. In terms of frequency of appearance in currently effective programs, research ranks about equal with sales promotion and advertising. But in terms of total funds expended, research accounts for only 4 per cent, compared with 67 per cent for promotion. Such comparison is misleading, however, as an indicator of the relative importance of research in the operation of marketing programs. A very substantial amount of research is drawn upon by the marketing program industries from the state university and for which no cost account is reflected in the figures cited.

It is pertinent to note that the commodity marketing programs do not have their own research staffs. Rather they utilize other organizations. In addition to the state university, they purchase research services from private firms engaged in such business. At times they participate jointly with the government under provisions of or similar to the Federal Research and Marketing Act. The point to be emphasized is that many marketing program administrations are

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"research-minded"; and some seem to have almost as much faith in the effectiveness of research as in that of sales promotion.

The research activities in which marketing programs are interested or which they sponsor not only are economic in nature but often are technological, although the latter have economic implications. Technological research projects include, for example, improved processing methods for canned fruits, disease and pest control, improved varieties, development of new utilizations, improved equipment, and similar studies carried on by technical departments and organizations. In terms of economic terminology and implications, many of such engineering and "natural sciences" researches have the objective of discovering and developing new production functions. As cost-reducing methods of producing "old" products affect industry returns through the cost side of the profit equation, methods of producing "new" products affect industry returns through the revenue side of the profit equation. The industries with marketing order provisions for research are well aware of the economic implications; and to them production, processing, or marketing research is a source of increased profits or decreased losses.

Economic and statistical research is drawn upon by a number of the marketing programs. This type of research ranges from the organization and development of data reporting systems to econometric analyses of the operation and effects of marketing programs. Of particular concern to those orders having a volume-regulation provision are the economic characteristics of the demand functions facing the industry. Knowledge concerning price and income elasticities, for example, as well as measures of demand relationships among various products is necessary for a rational operation of the volume-regulation provisions. This is not to suggest that all orders have at hand, or seek to acquire, such economic relationships. The range of "economic awareness" varies among the programs; some, in fact, even ignore economics in its analytical

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To have current information on retail inventories, purchases, sales, and prices--the type of data not available in reports of federal or state agencies--some advisory boards contract with private marketing research agencies to obtain such information. For those orders, there is being accumulated a fund of economic knowledge concerning consumer and trade behavior that exceeds in detail and scope that of other industries.

In addition to economic researches pointing to the demand side of the market, increasing attention is being given to supply. For purposes of planning marketing policy, several of the orders--cling peaches, Bartlett pears, and lemon products, for example--have helped to finance researches in objective preharvest sampling forecasts of the prospective supplies available for marketing. Reliable and timely forecasts of supplies to be harvested are of particular concern to the orders utilizing the volume-regulation provisions.

There are two major types of quantity control available under the volume-regulation provisions. One is intertemporal distribution of the harvested crop marketed within the season and a second is curtailment of the total crop to be harvested and/or marketed for the season as a whole. In some instances, both may be used. Intertemporal distribution within the season may have several economic objectives, the primary one being the approaching of maximum returns from the sale of the crop. Other but related objectives include dampening of the seasonal patterns of prices and sales. Curtailment of the total crop harvested and/or marketed also has the primary objective of increasing returns from the sale of the crop. But in each case, the particular effects on prices and returns depend upon the nature of the relevant supply and demand functions, their price and income elasticities, their stability over time, and their

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sensitivity to developments in related products. The economic rationale, in the most elementary case, involves price elasticity as an indicator of the relationship between associated changes in volume and returns. The more complicated cases involve economic theories of price discrimination, market segmentation, and multiple products.

The problem of multiple products stems from the interaction of crops which are competing in demand or which are produced and marketed in competing areas. Interregional and interproduct competition cannot be ignored in the operation of volume control. The economic inferences which can be drawn from the history of marketing orders for asparagus or from the growing market struggle between canned cling and freestone peaches, for example, are reasonably clear. A marketing program which disregards the indirect as well as the direct economic effects on competitive products or competitive regions is eventually likely to find its objectives frustrated and its long-run relative market position affected.

Associated with the types of economic inferences and implications briefly touched upon above, there are various legal aspects which are not considered here. It can be noted, however, that the legal validity of California marketing programs has been established through findings in the courts. For example, court rulings have established the principle that authorized actions initiated by and properly administered under the authority of marketing order programs do not violate the federal antitrust laws. That relief, in the legal sense, from prosecution for combination or conspiracy further emphasizes the need for judicious restraint in the application of marketing program provisions, particularly those bearing upon volume regulation.

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Some Observations

The operation of California marketing programs, with their apparent "success" in the opinions of many participants and observers, has attracted rather widespread attention from various commodity groups in other states. In recent months, particularly, many inquiries have been received asking for information. Often the inquirers suggest that, if they "only could have a marketing program," their problems would be solved. Such expectations, however, may in some cases be ill-founded.

Valid economic generalizations about joint industry-state marketing programs are difficult, perhaps impossible, to formulate in meaningful and helpful terms. There are so many different types of programs which can be developed, and each commodity has its own particular problems and circumstances. One generalization, however, can be noted with some confidence. Joint industry-state marketing programs of the type discussed here certainly are not a mystical and all-powerful curative of marketing problems. Rather, such programs are institutional economic devices effective only for certain types of problems under particular circumstances. As is common with most tools, their appropriateness and effectiveness for dealing with a certain problem are functions of the skill and know-how with which they are used. A delicate brain operation requires a scalpel in the hands of a skillful surgeon, while the shoeing of a spirited horse requires the competence of a blacksmith. So it is with marketing programs. They must be tailored to specific circumstances, and they require skillful management blended with appreciation of the economic implications involved.

Much too often marketing programs are viewed as acceptable substitutes for necessary production adjustments. Where chronic and persistent "overproduction" occurs, marketing programs are at best only a palliative to provide

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time and aid for easing into the basically necessary production adjustments. Where cyclically depressed demand imposes producer sales returns less than out-of-pocket costs, marketing programs can help to retain productive capacity appropriate for the time when the business cycle turns up again. In this respect, an example is that of tree fruits from orchards representing capital which can be reproduced only over a period of years. As a historical observation, it may be noted that the early marketing programs grew out of problems faced by tree fruit industries as a result of depressed demand conditions in the early 1930's.

Although marketing programs were "depression bred," with the passage of time they have become "prosperity fed." Of the 28 marketing programs currently effective in California, definite expiration dates now prevail for only 4 programs, and they may be continued with reinstitution; the other 24 programs have "continuous" terms of operation and continue on until a contrary decision is made by the industry or the Director. It is clear that marketing programs have become established as an integral part of our agricultural marketing institutions.

The characteristic of being "depression bred and prosperity fed," however, is not unique to marketing programs. More or less similar degrees of metamorphosis are evident in many other of our economic and social institutions: unemployment, old age, and survivor's insurance; federal and state employment offices; bank and building and loan deposit insurance; home mortgage insurance; labor-management legislation; and many others, including the federal loan and storage price-support programs. But an important institutional difference between the California marketing programs and the federal price-support programs is that the latter are the subject of political controversy in both the means and immediate ends. California marketing orders, however, are not a subject of political debate in the state. They are viewed as nonpolitical and are bipartisan in the conventional sense of party politics. This does not mean, however,

that they are completely noncontroversial. Conflict of interests often prevail within an industry, and it is not unusual for producers and handlers or even different groups of producers to take different positions on the acceptance of proposed marketing orders. But such conflicts of interest are in the main economic and not political.

The conflict of economic interests between producers and handlers within an industry can be resolved by the voting procedure. But the conflict of economic interests among consumers, producers, and handlers cannot be resolved by that procedure. Consumers, as such, have no direct vote in the acceptance or rejection of marketing orders, although consumers do have a powerful and telling voice when they register their votes in terms of dollars and cents at the cash registers of retail outlets. The legislation clearly specifies that consumer interests are to be represented and safeguarded by the Director in his consideration and administration of marketing programs. The proposal that consumers be given an independent voice in the promulgation and operation of marketing orders is not heard as frequently in recent years as in previous ones.

Marketing order programs were not discovered in a social science laboratory, developed in a pilot economy, and brought into practical use only after being tried and tested. On the contrary, the forerunners of the present marketing programs were put together and into effect under the pressure of current problems needing attention in a depression-ridden economy. Among early participants, the agricultural economists include: E. W. Braun, C. C. Davis, B. A. Holt, W. J. Kuhrt, S. R. Smith, E. A. Stokdyk, J. Tapp, H. R. Tolley, F. V. Waugh, H. R. Wellman, and F. R. Wilcox. During the following years, in considerable part through trial and error, marketing orders were developed in their economic, legal, and administrative dimensions into an articulate and flexible institutional organism.

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Although marketing order programs now have various types of provisions, that of volume control has always attracted the most criticism. Yet, economists have continuously been aware of the double-edged features of volume control. Almost twenty years ago, H. R. Wellman stated, ". . . marketing control schemes which have for their sole purpose the regulation of the flow of shipments to market during the season and which do not involve actual limitation of the total supply marketed are likely to prove beneficial to growers both in the short run and in the long run." But he cautioned ". . .marketing control schemes which are designed to limit the total supply marketed for the season as a whole are in quite a different category. This type of control is essentially a palliative and should be treated as such. It should be used only in acute situations . . . to go beyond that is to court disaster."1/

The preceding quotation distinguishes between intraseasonal and interseasonal regulation of volume flows. The former, intraseasonal control of quantity marketed, is generally used as a device to dampen the swings in shipments and prices thereby attempting to attain a more even or uniform rate of daily or weekly shipments and greater stability in short-run market prices and returns within the season. In the minds of many growers and shippers, the purpose of regulating intraseasonal volume is to prevent short-run "market gluts" and associated sharp "price breaks." Buying attitudes of terminal-market receivers are presumably affected favorably in view of their confidence in an "orderly flow" of shipments to market. With such confidence in the minds of buyers, the presumption is that the season average price is higher than would be if intraseasonal shipments were not "stabilized."

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Yet, it need not be that for all products, in all seasons and markets, intraseasonal volume stabilization does yield higher season average prices. The outcome depends on the nature of the price elasticities of the daily or weekly market demand and supply functions and also how they shift during the season. Further, if the objective is to obtain as large as possible total returns for the season as a whole, which is a more rational objective for growers and shippers than price stability in itself, the appropriate intraseasonal regulation calls for accepting the intraseasonal patterns of shipments and prices which in combination result in maximum total returns. Such intraseasonal patterns may but need not be consistent with more uniform rates of daily or weekly shipments than would occur without intraseasonal volume regulation.

The essential problem of using marketing order volume regulation of seasonal total supply concerns the interaction of short-run and cumulative effects on grower returns. If the seasonal total demand facing growers is of such nature that restricting the season's total volume is associated with an increase in total returns to growers, there is a short-run inducement to practice such volume regulation. Such volume restriction can be rationalized in acute situations. But continued restriction, resulting in grower returns being increased sufficiently and over a long enough period, can lead to expansion of growers' productive capacity. Such induced expansion of productive capacities can, in turn, bring a growth in total seasonal volume available for marketing at a rate more rapid than is likely to be balanced by market demands consistent with yielding reasonable returns to growers. Thus, the administration of seasonal total supply regulation, under the authority of marketing orders, calls for the application of the provisions of the order so that its short-term applications do not accumulate into long-term effects which aggravate the situation which the order is intended to alleviate.

Although California marketing orders may be used to control the within-season or seasonal totals marketed, the orders are not effective in controlling the volume produced by growers. Growers retain freedom in expanding or contracting their acreage or yield and thereby their total volume produced. Despite the existence and operation of the marketing orders, free entry into and exit from the industry remains. Established growers have freedom in expanding their production capacities, and new growers can enter the industry in response to anticipated relatively profitable operations. It is such long-run flexibility in production which counteracts, at least in part, the short-run impacts on grower prices and returns from volume control through marketing orders.

Over the years various economists, counseling and working with industry groups and government officials concerned with marketing order programs, have attempted to introduce and develop rational economic consideration of long-run as well as short-run impacts of the orders. But to understand fully the marketing order institutions, economic analysis is necessary although not sufficient. Also necessary are phases of statistical analysis, law, public administration, political science, social psychology, and perhaps a bit of psychiatry.

As commodity groups work with marketing orders, considering but not always following the counsel of economists, the industry participants gradually learn economic principles and come to appreciate economic analysis. In some orders, the industry participants have accumulated a rather sophisticated understanding of the economic principles involved. Such industry people may not use professional jargon, but they are learning the significant economic relationships. It may well be that in the long run the spread of "economic literacy" will prove to be the most significant result emerging from the institution of marketing orders. In the meantime, commodity groups may derive a measure of psychic income from the believe that their economic destiny rests in their own

hands. As Marshall has said: "Economic laws and reasonings in fact are merely a part of the material which conscience and common-sense have to turn to account in solving practical problems, and in laying down rules which may be a guide in life."

TABLE I. Characteristics of California Agricultural Marketing Programs Operating in 1956[a]

Marketing programs	Date when first effective	Term of current program or expiration date	Number of producers in 1955	Number of handlers or processors in 1955	Administrative costs in 1955	Inspection costs in 1955	Promotional and advertising expenditures in 1955	Research expenditures in 1955
					dollars			
Early apples	6/28/48	Continuous	1,362	202	19,000	8,000	300	0
Fresh asparagus	3/12/54	Continuous	286	0	10,000	0	3,500	0
Processing asparagus	3/12/54	Continuous	210	26	23,000	0	17,000	0
Standard Lima beans	3/10/51	Continuous	772	18	28,000	0	135,000	7,000
Bush berries for processing	9/15/54	Continuous	414	48	11,000	0	15,000	500
Cantaloupes	8/1/55	Continuous	168	56	12,000	5,000	0	0
Dried figs	8/4/55	Continuous	255	9	40,000	0	66,000	0
Extracted honey	3/1/52	Continuous	482	57	16,000	0	17,000	3,500
Desert grapefruit	5/12/41	Continuous	160	19	15,000	12,000	0	0
Lemon products	3/10/51	9/30/58	0	37	85,000	0	145,000	7,000
Dry-pack lettuce	6/11/42	Continuous	98	104	20,000	19,000	0	0
Fresh peaches	3/25/50	Continuous	2,097	478	60,000	18,000	18,000	1,000
Canning and freezing cling peaches	8/1/36	6/30/57	2,573	55	130,000	300,000	1,000,000	77,000
Canning Bartlett pears	5/25/38	Continuous	2,446	35	45,000	130,000	110,000	45,000
Fresh Bartlett pears	7/8/37	Continuous	1,009	220	15,000	11,000	0	1,000
Sales promotion of fresh Bartlett pears	6/27/50	Continuous	1,497	219	20,000	600	140,000	0
Canning fall and winter pears	8/6/41	7/14/57	289	21	13,000	15,000	0	0
Fresh fall and winter pears	8/26/41	Continuous	490	118	6,000	600	25,000	0
Hardy pears for canning (promotion)	6/11/55	Continuous	318	15	800	0	0	0
Fresh plums	3/25/50	Continuous	2,271	431	22,000	6,000	5,000	0
Delta white potatoes	8/12/55	Continuous	27	21	6,000	[b]	500	0
Long white potatoes	11/16/53	Continuous	695	129	80,000	380,000	100,000	0
Poultry and turkey improvement	6/5/45	Continuous	491	0	55,000	105,000	0	0
Dried prunes	9/3/37	Continuous	6,068	18	32,000	0	440,000	0
Raisins	10/1/37	Continuous	6,976	27	43,000	0	300,000	4,000
Strawberries	7/7/55	Continuous	1,980	50	16,000	0	28,000	4,000
Turkeys (promotion)	7/9/52	Continuous	1,359	183	30,000	0	70,000	0
Wine	8/24/38	6/30/57	0	295	80,000	0	2,000,000	170,000

(Continued on next page.)

Table I continued.

a/ California Department of Agriculture, California Agricultural Marketing Programs (Sacramento: State Print. Off., 1956), 31p. (Its Bulletin, vol. 45, no. 1, January-March, 1956, supplemented by current releases.)

b/ Inspection costs for delta white potatoes are paid by the handlers directly to the Bureau of Shipping Point Inspection. For this reason, inspection costs for delta white potatoes are not financed through the marketing order; corresponding assessments are not made on participants; nor are inspection expenditures made by the order itself.

TABLE II. Provisions of California Agricultural Marketing Programs Operating in 1956[a]

Commodity	Grade and/or size regulation	Pack and container regulation	Mandatory inspection and/or certification	Advertising and sales promotion	Production, processing, and/or marketing research and surveys	Quantity regulation	Stabilization pool and/or substandard pool	Unfair trade practices	State fund
<u>California Marketing Act of 1937 (As Amended)</u>									
Early apples	X	X	X	X	X	X			
Fresh asparagus	X		X	X	X	X			
Processing asparagus				X	X	X			
Bush berries				X	X				
Cantaloupes	X	X	X						
Dried figs and dried fig products	X		X	X	X		X	X	
Grapefruit	X	X	X	X					
Extracted honey[b]				X	X			X	
Lemon products	X		X	X	X	X	X	X	
Dry-pack lettuce	X		X		X	X			
Standard Lima beans	X		X	X	X	X			
Cling peaches	X			X	X	X		X	X
Fresh peaches	X	X	X	X	X				
Fresh Bartlett pears	X	X							
Bartlett pears (promotion)				X	X				
Canning fall and winter pears	X		X						
Fresh fall and winter pears	X	X		X		X			
Hardy pears (promotion)				X	X				
Fresh plums	X	X	X	X	X				
Delta white potatoes	X		X	X	X	X			
Long white potatoes	X		X	X	X				
Poultry and turkey improvement	[c]								
Dried prunes				X	X				
Raisins				X	X				

(Continued on next page.)

Table II continued.

Commodity	Grade and/or size regulation	Pack and container regulation	Mandatory inspection and/or certification	Advertising and sales promotion	Production, processing, and/or marketing research and surveys	Quantity regulation	Stabilization pool and/or substandard pool	Unfair trade practices	State fund
<u>California Marketing Act of 1937 (As Amended)</u>									
Strawberries				X	X				
Turkey (promotion)				X	X				
Wine				X	X				
<u>Agricultural Producers Marketing Law</u>									
Bartlett pears, canning (Producers program)	X		X	X	X				

a/ California Department of Agriculture, California Agricultural Marketing Programs (Sacramento: State Print. Off., 1956), 31p. (Its Bulletin, vol. 45, no. 1, January-March, 1956, supplemented by current releases.)

b/ The order for extracted honey also includes a provision for price posting.

c/ Disease control phases of the National Poultry and Turkey Improvement Plans and turkey breeding phases of the National Turkey Improvement Plan.

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